

July 13, 2007

**All Scheduled Commercial Banks  
(excluding RRBs)**

Dear Sirs,

**Rupee Export Credit Interest Rates**

Please refer to our circular DBOD.Dir.(Exp.)No.80/04.02.01/2006-07 dated April 17, 2007 on the captioned subject.

2. The Government has decided to provide interest subvention of 2 percentage points p.a. to all scheduled commercial banks in respect of rupee export credit to the specified categories of exporters. Accordingly, the extant instructions relating to interest rates on rupee export credit governed by the aforementioned circular dated April 17, 2007 would stand amended.

3. The interest subvention of 2 percentage points p.a. would be available to the following categories of exporters:

**Sector**

- I.
  - (i) Textiles (including Handlooms)
  - (ii) Readymade Garments
  - (iii) Leather Products
  - (iv) Handicrafts
  - (v) Engineering Products
  - (vi) Processed Agricultural Products
  - (vii) Marine Products
  - (viii) Sports Goods
  - (ix) Toys

II. All exporters from the SME Sector as defined in the Annex.

In respect of other categories of exporters, the provisions of the circular dated April 17, 2007 would continue to apply.

4. As per the existing guidelines, banks charge interest rate not exceeding BPLR minus 2.5% on rupee pre-shipment credit upto 180 days and rupee post-shipment credit upto 90 days. Banks will now charge interest rate not exceeding BPLR minus 4.5% on pre-shipment credit upto 180 days and post-shipment credit upto 90 days on the outstanding amount for the period April 1, 2007 to December 31, 2007 to the above mentioned sectors.

5. A directive No. DBOD.Dir.(Exp).BC.No.21/04.02.01/2007-08 dated 13 July 2007 issued in this regard is enclosed.

6. The procedure for claiming subvention is as follows:

- i) The amount of subvention would be reimbursed on the basis of quarterly claims submitted as at June 30, September 30, and December 31, 2007 within one month from the end of the respective quarters. The format for the purpose is enclosed.
- ii) The amount of subvention will be calculated on the amount of export credit from the date of disbursement upto the date of repayment or upto the date beyond which the outstanding export credit becomes overdue i.e. for pre-shipment credit upto 180 days and post-shipment credit upto 90 days, whichever is earlier.
- iii) The claims should be accompanied by an Auditor's Certificate certifying that the claims for subvention of Rs.....for the quarter ended.....as true and correct. Settlement of the claim will be done only on receipt of this certificate.
- iv) Claims may be submitted to the Chief General Manager, Department of Banking Operations and Development, Reserve Bank of India, Central Office, World Trade Centre, Mumbai-400 005.

Yours faithfully,

**(P.Vijaya Bhaskar)**  
**Chief General Manager**

Withdrawn w.e.f May 13, 2022

July 13, 2007

**Interest Rates on Rupee Export Credit**

In exercise of the powers conferred by Sections 21 and 35 A of the Banking Regulation Act, 1949, the Reserve Bank of India, being satisfied that it is necessary and expedient in the public interest so to do, in partial modification of directive DBOD. Dir. (Exp).BC. No. 79/04.02.01/2006-07 dated April 17, 2007. hereby directs that, with effect from April 01, 2007 up to December 31, 2007 the interest rates on Rupee Export Credit would be as indicated below.

As per the existing guidelines, banks charge interest rates not exceeding BPLR minus 2.5% on pre-shipment credit upto 180 days and post-shipment credit upto 90 days. Banks will now charge interest rates not exceeding BPLR minus 4.5% on pre-shipment credit upto 180 days and post-shipment credit upto 90 days on the outstanding amount for the period April 1, 2007 to December 31, 2007 to the exporters in the sectors as mentioned below.

I. Exporters in Specified Sectors

- (i) Textiles (including Handlooms)
- (ii) Readymade Garments
- (iii) Leather Products
- (iv) Handicrafts
- (v) Engineering Products
- (vi) Processed Agricultural Products
- (vii) Marine Products
- (viii) Sports Goods.
- (viii) Toys

III. All exporters from the SME Sector as defined in the Annex.

In respect of other categories of exporters, the provisions of the circular dated April 17, 2007 would continue to apply.

**(Anand Sinha)**  
**Executive Director**

Withdrawn w.e.f. May 13, 2022

**Rupee Export Credit for the period from April 1 to December 31, 2007**  
**Statement for the quarters ended June /September / December 2007**

(Amount in Rs Lakh)

Category of Exporters	Industry code	Total Rupee export credit granted at BPLR minus 4.5%		Amount of Subvention Claimed
		No. of Accounts	Amount	
(1)	(2)	(3)	(4)	(5)
I. Specified Sectors				
i) Textiles (Including Handlooms)				
ii) Readymade Garments				
iii) Leather Products				
iv) Handicrafts				
v) Engineering Products				
vi) Processed Agricultural Products				
vii) Marine Products				
viii) Sports Goods				
ix) Toys				
II All exporters from the SME Sector				
<b>Total</b>				

We certify having disbursed the above loans at BPLR minus 4.5% p.a. by way of Rupee export credit to the eligible exporters as stated in the RBI circular No.DBOD.Dir.(Exp).BC.No. 22/04.02.01/2007-08 dated July 13, 2007 during the quarter ended .....

Dated : \_\_\_\_\_

Authorised Signatory

**Definition of SME.**

**Enterprises engaged in the manufacture or production, processing or preservation of goods** as specified below:

- i) A **micro enterprise** is an enterprise where investment in plant and machinery [original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O. 1722(E) dated October 5, 2006 **does not exceed Rs. 25 lakh;**
- ii) A **small enterprise** is an enterprise where the investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O. 1722(E) dated October 5, 2006) is **more than Rs. 25 lakh but does not exceed Rs. 5 crore;** and
- iii) A **medium enterprise** is an enterprise where the investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No. S.O. 1722(E) dated October 5, 2006) is **more than Rs.5 crore but does not exceed Rs.10 crore.**

Withdrawn w.e.f May 13, 2022